



2012 Regular Session of the Louisiana Legislature



**House Legislative Services
Louisiana House of Representatives
June, 2012**



General Appropriations Bill



Funding for Fiscal Year 2012 -2013

- \$26.5 billion state budget, comprised of the following sources of revenue:
 - \$11.3 billion in federal funds;
 - \$7.7 billion in state general funds;
 - \$2.7 billion interagency transfers;
 - \$2.2 billion in fees and self-generated revenues; and
 - \$2.6 billion in statutory dedications.

Budget Shortfalls

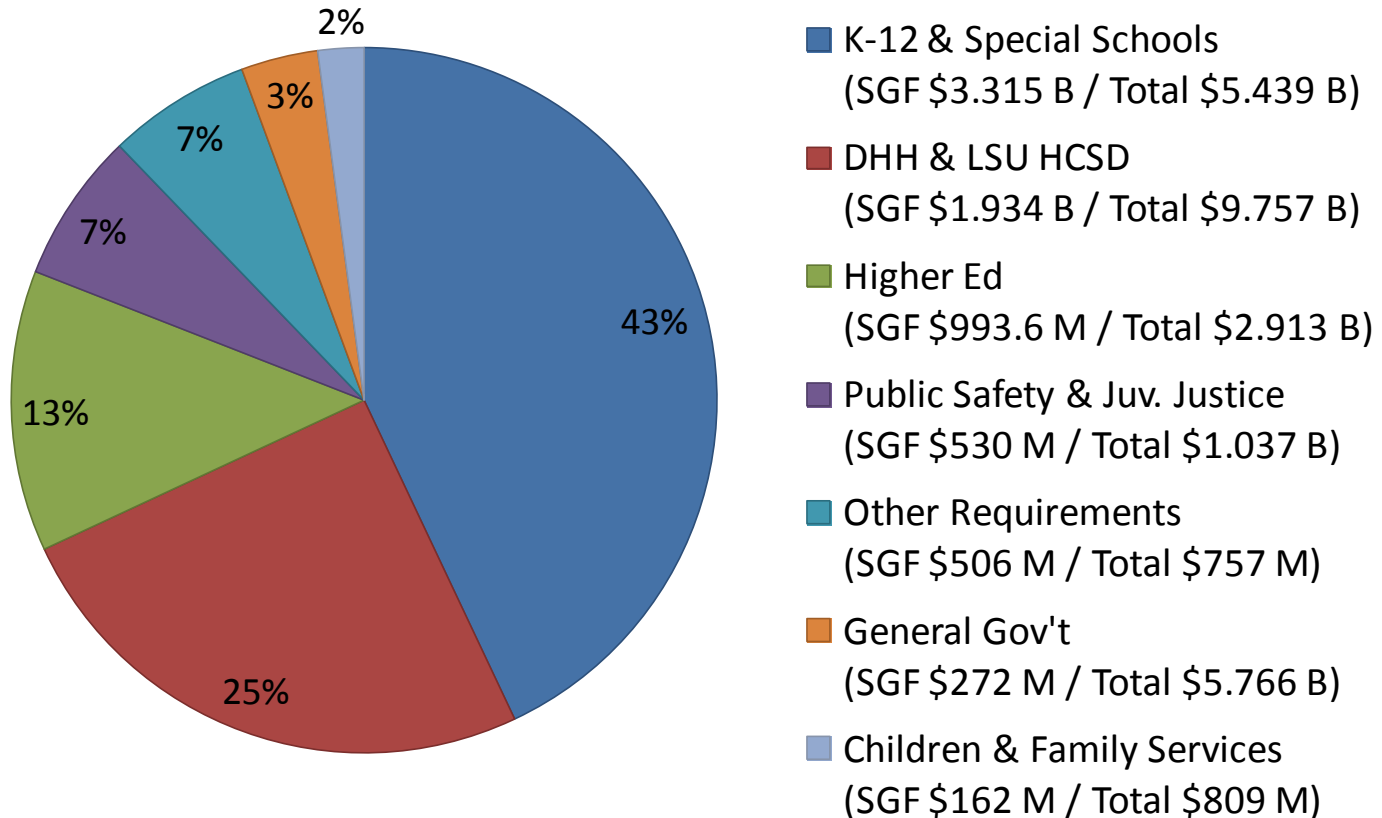
- Addressed \$220 million deficit in the current year.
- Addressed \$304 million shortfall for next year.
- Decreased total spending by \$66 million.

A Balancing Act

- Tapped the “Rainy Day” fund in SCR 128 to cover \$204.7 million REC revenue reduction in current year.
- Reduces use of “one-time” money for recurring expenditures to \$273 million.
- Funds sweep and capture of other revenue totaling \$397 million in HB 822.

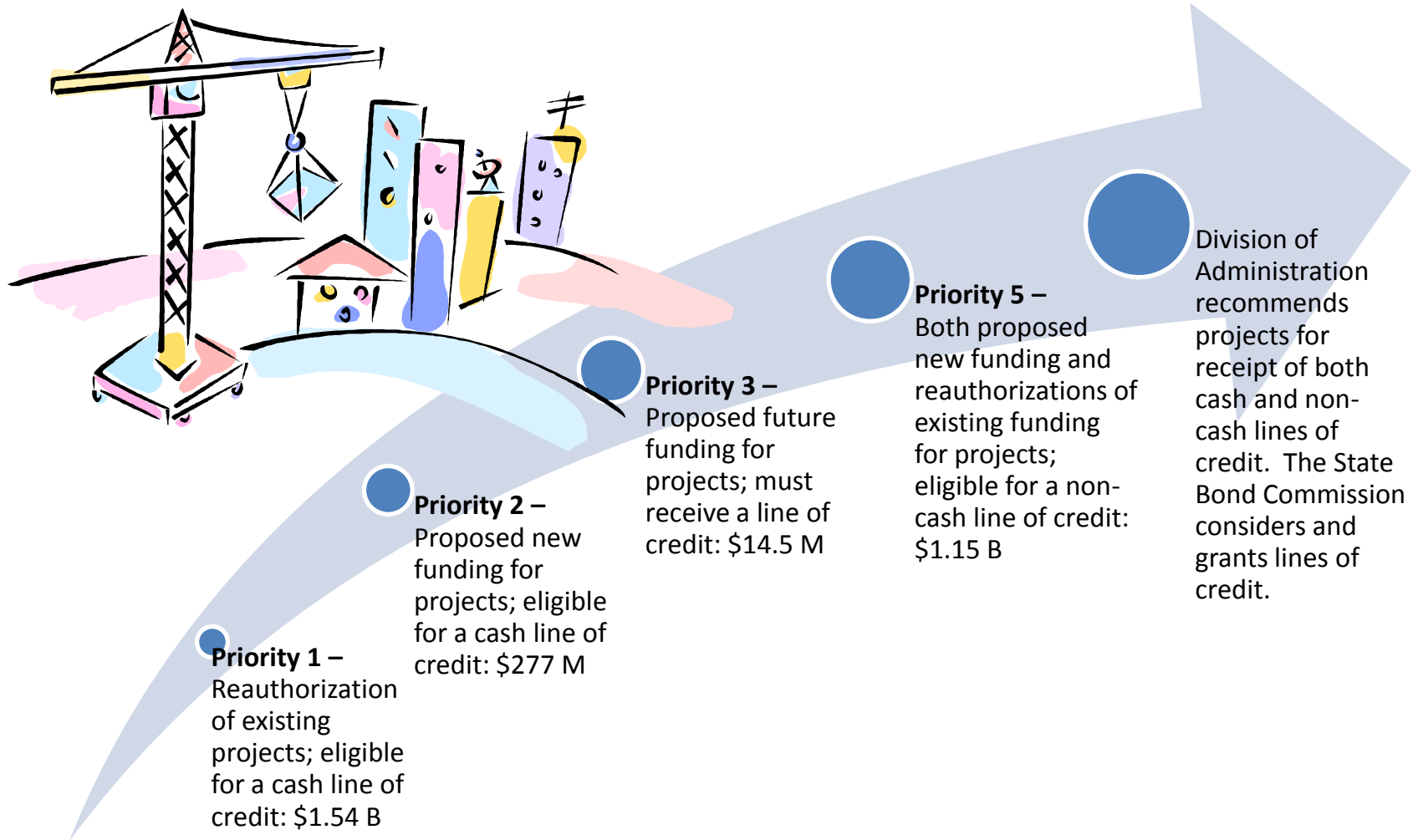
State General Fund (SGF) Allocation

FY 2012-2013



NOTE: The dollar figures above do not include a \$37 Million SGF reduction mandated by the preamble in HB 1, which reductions are to be allocated by the Commissioner of Administration.

\$4.3 Billion State Capital Construction Budget



Economic Development



New Competitive Projects Payroll Incentive Program

- HB 958 establishes the Competitive Projects Payroll Incentive Program which grants enhanced Quality Jobs payroll subsidies (up to 15% rather than up to 6%) to qualified businesses based on new payroll. The bill targets manufacturing of various types of durable goods manufacturing (auto, aerospace, batteries, household appliances, computers), pharmaceutical manufacturing, gas to liquids conversion, and data storage & services.



New Corporate Headquarters Relocation Program

- HB 937 authorizes cash rebates equal to 25% (over 5 years) of the relocation costs for high-growth companies and firms in the Fortune 1000 which relocate or expand their headquarters in Louisiana. Eligible costs include capital expenditures for a facility and equipment, leasing costs, and personnel relocation costs.

Economic Development, cont.



Local Option Exemption from Ad Valorem Taxes

- A proposed constitutional amendment and its companion bill, HB 674 and 694, will allow LED or local governing authorities to extend property tax exemptions to target business sectors, including corporate HQs, distribution facilities, data service facilities, R&D operations, and digital media and software development centers. In order to qualify for this 10 year exemption, these businesses would have to invest a minimum of \$25M and involve 50+ new direct jobs.



New Corporate Tax Apportionment Program

- HB 729 extends the single sales factor (sales within the state only) for computation of corporate taxes for manufacturing or merchandising to qualified business by allowing the LED to establish a reduced corporate income and franchise tax base for businesses in the following sectors: headquarters, logistics, warehousing, data centers, clean technology, destination health care, R&D, renewable energy, and digital media and software development.

Additional Tax Rebates



The Hornets

- HB 1072 broadens and extends eligibility for the Hornets' participation in the cash rebate portion of the Quality Jobs Program, reported to be a \$36.5 M tax break to keep the Hornets in New Orleans through 2024.



STO Rebates

- HB 969 authorizes up to a 95% rebate for a taxpayer's donation to a school tuition organization (STO) which provides scholarships to qualified students at nonpublic K-12 schools. The amount of the rebate is equal to the actual amount of the donation used to fund a scholarship.



Public School Rebates

- HB 1106 authorizes a rebate equal to 75% of a taxpayer's donation to a public school which received letter grade of B - F. Requires the donation to be for instructional materials, tutorial programs, in-school child care programs for student parents, or meeting requirements of academically unacceptable schools.

K-12 Education Funding (MFP)



**\$3.4 billion
for 679,000
public school
students
(SCR 99)**

**Equates to
\$5,031 per
pupil;
\$11,000 per
pupil when
all sources of
revenue are
totaled**

**Louisiana is
one of only 13
states that did
not cut its
student
funding
formula**

**Adds \$33
million due to
additional
students and
local revenue
adjustments to
districts' wealth**

**Provides
funding for
governor's
major education
initiatives which
provide choice
for students
(ex. vouchers,
on-line course
providers)
which allows
the dollars to
follow the child**

Vouchers for K - 12



Student Scholarship Program

- State's scholarship program expanded statewide by HB 976.
- Gives vouchers for public school students to attend non-public schools.
- Applicable to students in public schools with letter grades of C, D, or F.

Eligibility based on income

- Family income must not exceed 250% of current federal poverty guidelines:
 - \$37,825 for a family of two.
 - \$47,725 for family of three.
 - \$57,625 for family of four.

Funding

- Vouchers to be funded through the MFP.

Applications for 2012-13 school year

- Initial estimate was 2,000 seats.
- Actual applications closer to 5,100 seats (excluding 1,800 existing vouchers in Orleans).
- Application deadline is June 29th.
- If applications exceed space, a lottery will be held.

124 schools offering seats

- Majority of seats are in southern parishes with Orleans, Jefferson, and East Baton Rouge accounting for 43% of the 124 schools on the list.
- Only 7 of 33 parishes with schools offering seats are in North Louisiana.

Accountability

- Requires Department of Education to develop accountability system for voucher recipients.

K-12 Educational Issues

Teacher Tenure (HB 974)

- Teachers who are rated “highly effective” for five years within a six-year period are granted tenure.
- Teachers not awarded tenure remain “at will” employees but will be granted tenure upon being rated “highly effective” for five years.
- Beginning 2013-2014, a teacher rated “ineffective” immediately loses tenure.

School Board Term Limits

- HB 292 provides for an election in each school district on the question of term limits for local school board members.

Early Childhood Education Act

- SB 581 creates a uniform assessment and accountability system for publicly-funded early childhood education programs that includes a letter grade indicative of student performance.



Higher Education

Few Legislative Changes

- Despite the introduction of many bills and resolutions regarding higher education, including bills on tuition and school governance, few measures garnered sufficient support when it came to higher education in the 2012 Legislative Session.

LSU - Shreveport

- The proposed merger of LSU-S and Louisiana Tech University was one of the many bills on higher education that did not make it through the legislative process but, like other issues, an agreement (SCR 130 and HCR 168) was made wherein the LSU Board of Regents pledged to increase course offerings at LSU-S.

Credit Hours and Consistent Course Numbering

- SB 103 requires colleges to cap baccalaureate degree programs at 120 credit hours, except certain programs which require additional credit hours to meet certification or accreditation requirements.
- SB 104 requires the phasing in over a 4-year period a uniform, common course numbering system which has as its goal making it easier for students to transfer schools.

Central Louisiana Technical College

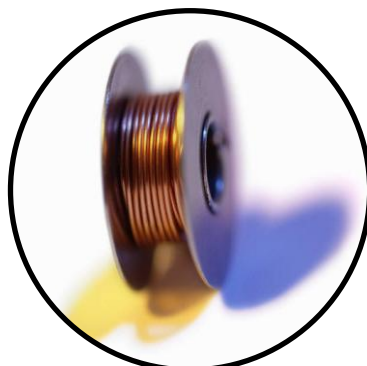
- SB 247 creates Central Louisiana Technical College to provide educational programs and services through the location and facilities that served as the Alexandria, Avoyelles, Huey P. Long, Lamar Salter, Oakdale, and Shelby M. Jackson campuses of the La. Technical College.

Construction and Repairs



Manufactured Homes

HB 1029 enacts the New Manufactured and Modular Home Warranty Act to protect owners of new manufactured homes, similar to the protection afforded new home owners under the New Home Warranty Act.



Copper & Metals

HB 1188 prohibits the payment of cash for the sale of "scrap" copper and caps at \$300 the amount of cash which can be paid for other scrap metals. Also, HB 48 creates the crime of theft of copper and other metals.



Roof Damage Claims

HB 386 allows a consumer to cancel a roof repair or replacement contract at any time within 72 hours of being denied all or part of insurance coverage.



Health Issues



Hear the Heartbeat Act

SB 708 requires that the fetal heartbeat be made audible to and ultrasound images be displayed for review by a pregnant woman 24 hours prior to undergoing an abortion.



Pain-Capable Unborn Child Protection Act

SB 766 prohibits an abortion of an unborn child of 20 or more weeks post-fertilization (about 22 weeks on the typical 40-week gestation calendar).



Pharmacists

In addition to flu vaccines, SB 378 allows pharmacists in a primary health professional shortage area to administer pneumonia vaccines and shingles vaccines.



Child Day Care

HB 861 authorizes, in lieu of revocation, the issuance of written warnings to child care facilities for violations related to supervision, staff-to-child ratios, and other infractions if offense does not pose danger to children and increases fines for violations to \$1,000 for each day of offense.



Mental and Behavioral Health Services Preservation Act

In response to scarce resources for mental and behavioral health, HB 952 seeks to maximize what funds are available by asking DHH to track performance measures, promote best practices, create minimum delivery standards, establish funding priorities, and more.

Health Insurance



Anti-cancer medications

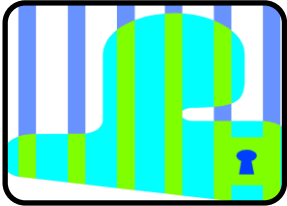
- HB 693 requires health insurance issuers who provide coverage for cancer treatment to cover the cost of prescribed orally administered anti-cancer medications on a basis no less favorable than intravenously administered or injected cancer medications.



Autism

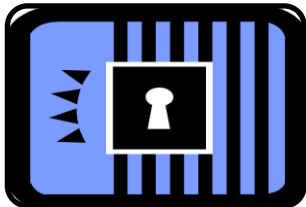
- HB 771 expands the mandate for health insurance coverage of diagnosis and treatment of autism spectrum disorders by extending coverage to those under 21, eliminating the lifetime maximum benefit and deleting the exception from coverage for employers with 50 or fewer employees, effective January 2014.

Criminal Law



"Good time"

- HB 994 changes the rate at which diminution of sentence or "good time" is calculated for offenses which are neither crimes of violence nor sex offenses. Changes the rate from 35 days for every 30 days in actual custody to 45 days for every 30 days in actual custody.



Parole eligibility for certain "lifers"

- Under SB 317, in response to a U.S. Supreme Court case, persons serving a life sentence who were under the age of 18 at the time of the offense, except those convicted of 1st or 2nd degree murder, are eligible for parole consideration upon serving 30 years of the sentence. There were three "adult" parole eligibility bills, HB 1026, SB 321 and HB 543.



DWI

- HB 47 requires a driver convicted of a second DWI offense within a year of a first conviction to undergo substance abuse counseling and spend at least 30 days in jail without the possibility of parole or sentence suspension.



Sentencing

- HB 1068 provides for plea agreements between the prosecution and the defense, other than sex offenses or crimes of violence, which allows the court to deviate from minimum mandatory sentences otherwise imposed by law.

Guns and Drugs



“Strict Scrutiny” test

A constitutional amendment, SB 303, provides that the right to keep and bear arms is a fundamental right which shall not be infringed and any restriction on this right shall be subject to strict scrutiny.



Guns without Serial #

HB 4 upgrades the crime for people possessing or selling firearms with obliterated serial numbers from a misdemeanor to a felony. First offenders can expect prison time to at least one year in jail and up to five years. Subsequent offenses doubles the prison time.



Synthetic Drugs

SB 61 attempts to keep up with the rapid pace at which synthetic drugs are being developed and disguised as common household products by giving DHH the ability to declare these “products” as hazardous and subsequently issue a stop order on sales. Also, HB1168 prohibits business owners convicted of selling synthetic marijuana and hallucinogenic “bath salts” from ever being granted a permit to sell alcoholic beverages.

For the Protection of Minors



WITNESSES OF SEXUAL ABUSE

- In response to the Penn State incident, HB 577, requires adults who witness cases of sexual abuse of children to report the incident to authorities and imposes fine up to \$10,000 and 5 years in jail.
- Expands the list of “mandatory reporters” of physical or sexual abuse to include, among others, coaches and college personnel.



HUMAN TRAFFICKING

- HB 49 provides relative to domestic minor sex trafficking by increasing criminal penalties for prostitution-related offenses which involve the prostitution of persons under the age of 18, provides affirmative defenses when the defendant is a victim of trafficking, and provides access to various support services for victims of trafficking.



CAYLEE'S LAW

- HB 600 makes it a crime not to report the disappearance or death of a child: a child under 13 must be reported missing if he has been gone for 12 hours; a child 13-16 must be reported after no contact within 24 hours. A child's death must be reported within the hour.

Sex Offenders



SOCIAL MEDIA WEBSITES

HB 620 bans incarcerated sex offenders from intentionally visiting or establishing an account on a social networking site such as Twitter or Facebook. HB 249 requires a sex offender not otherwise prohibited from having such accounts to include in his profile that he is a sex offender.



PUBLIC LIBRARIES

SB 753 prohibits a sex offender, if the victim was under the age of 13, from being in a public library and requires the governing boards of libraries to regulate access of sex offenders to the public library property under its jurisdiction.



NON-RESIDENT SEX OFFENDERS

HB 558 deters out-of-state sex offenders from moving to Louisiana by requiring sex offenders to serve the full registration term of their sentence, even if it is longer than the registration period under Louisiana law for the crime.

State Employment



Retirement Benefits

Many proposed changes to the public retirement plans of existing “rank and file” state workers failed to garner sufficient votes for passage.

However, HB 61 passed and it creates a “cash balance plan”, akin to a 401(k) but without risk of loss, for higher education and “rank and file” employees hired after July 1, 2013. It will be optional for those in K-12 such as teachers.



Reduced Workforce

As of June 30, 2011, the state’s workforce stood at 83,533 employees in both the executive branch and in higher education, which is 10,751 fewer employees than in 2009.*

*Source: Legislative Auditor report of February 8, 2012.

Transportation



Voters in Jefferson, Orleans, and Plaquemines will vote on whether to extend tolls on the Crescent City Connection, which tolls generate \$22M annually but are slated to expire at the end of this year (HB 1212).



The proponents and opponents of traffic cameras used to catch speeders came to a non-legislative resolution by agreeing to establish schedules of “speed zone thresholds” above which tickets can be issued and requiring cities to post additional signs warning motorists of a camera-enforced area.



HB 1053 allows a vehicle to be immediately towed if the driver is unable to show proof of compulsory vehicle insurance.



SB 601 allows car owners to opt for a two-year inspection sticker at twice the cost of the one year state automobile inspection.

Natural Resources

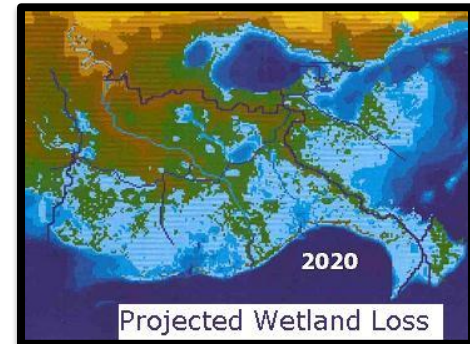


Legacy Law Suits

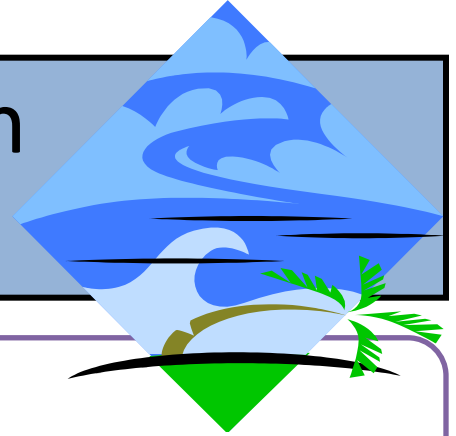
- “Legacy lawsuits” are those filed by landowners claiming that oil and gas companies to whom they leased their property caused environmental damage, such as contamination of ground water, that now limits the landowners’ ability to use their property.
- Several bills were filed and an agreement was reached which will require the oil and gas companies to start cleaning damaged areas to regulatory standards while other more extensive damage claims can be pursued in court. More specifically:
 - SB 555 establishes pretrial and trial procedures for legacy suits and department plans for remediation.
 - HB 618 provides procedures for requesting environmental management orders which authorize environmental testing and inspection of property allegedly impacted. Further provides for limitations of admissions of liability for environmental damage.

Coastal Louisiana

- HB 838 dedicates to the Coastal Protection and Restoration Fund state revenues received from violations of federal and state laws associated with the Deepwater Horizon Oil spill.
- HB 656 redraws the boundary for the Coastal Zone. The line moves inland in some cases.
- HB 1190 authorizes alternative (off-bottom) oyster culture associated with current leases.



Comprehensive Master Plan for a Sustainable Coast



“Master Plan”

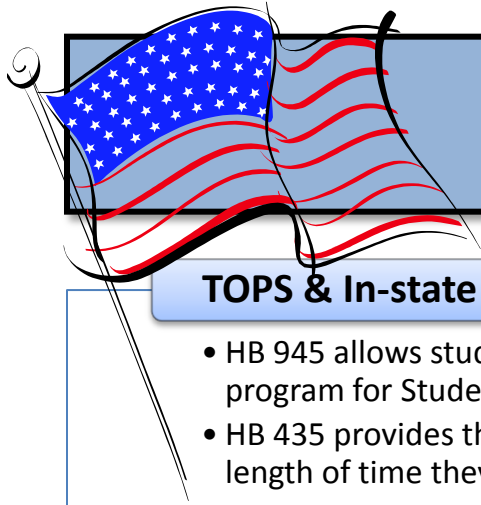
- A 50 year, \$50 billion plan
- Developed utilizing science and engineering expertise
- Invests in restoring barrier islands, headlands, and shorelines, not only as critical habitats but as first lines of defense against storm surge

Project selection

- Flood risk reduction and land building were the primary factors in selection
- 145 projects were selected
- Projects include barrier island restoration, sediment diversion, hydrologic restoration, and marsh creation projects

Flood Protection

- The plan improves flood protection for every community in coastal Louisiana
- Provides levees that significantly reduce risk from a 100 year storm for communities such as Abbeville, New Iberia, Morgan City, Houma, Golden Meadow, and Lafitte
- Includes measures that significantly reduce flooding risk from a 500 year storm for the Lake Charles and Greater New Orleans areas
- Provides structural assistance (i.e., elevation of homes) if a community cannot be protected by levees



Active Military & Veterans

TOPS & In-state Tuition

- HB 945 allows students who reenlist in the U.S. armed forces to retain their Taylor Opportunity program for Students (TOPS) eligibility.
- HB 435 provides that most veterans qualify for in-state tuition at public colleges regardless of the length of time they have been residents of the state.

Driver's Licenses and Prestige License Plates

- SB 157 and HB 499 allows veterans to obtain a “veteran” designation on their driver's license and identification cards and HB 590 exempts veterans from the cost of special ID cards.
- HB 124 creates the Korean Defense Service License plate.

Moving into Louisiana

- HB 732 provides expedited, occupational licensure for active servicemen and their spouses under which they can engage in an occupation in Louisiana, such as nursing, for which they are trained and credentialed by the military or another state.
- HB 631 allows the children of military families who have relocated into Louisiana or from one Louisiana base to another, to participate in athletics immediately after relocation.

Personal Safety

- HB 18 requires a penalty of 1 year in jail for those who physically attack servicemen and disabled veterans if prosecutors can prove that the attacker should have known the victim was a member of the military or a disabled veteran and that the battery was committed as a result of the victim's military status.

Of Interest

- HB 209 delays the opening of voting polls by one hour, from 6 to 7 a.m., except for elections held on Tuesdays.

Election Day



- HB 231 prohibits the sale of dogs and cats on the side of the road or other public place, or in any parking lot unless authorized by owner of the lot.

Sale of Pets on roadsides



- Allows state taxpayer who files a paper tax return to select to get his refund in the form of a check instead of a debit card, HB 1092.

Tax refunds



- SB 685 requires a parent of public school children to attend or otherwise participate in at least one parent-teacher conference.

Parent/Teacher Conference



- SB 764 is designed to strengthen the current anti-bullying law. It further requires training for school employees on how to detect bullying.

Bullying



- HB695, which failed in the Senate, would have prohibited the use of handheld cell phones without the use a hands-free device.

Cell Phones





Constitutional Amendments

November 6, 2012



Forfeiture of Retirement

- HB 9 authorizes the forfeiture of public retirement benefits by any public servant convicted of a felony associated with and committed during his public service.

Notice of Retirement bills

- SB 21 changes the prefiling deadline for retirement bills from 10 days to 45 days before regular legislative sessions.

Property tax in New Iberia

- HB 497 authorizes the granting of ad valorem tax exemption contracts by the city of New Iberia for property annexed by the city after January 1, 2013.

Board and Commissions

- HB 524 provides relative to membership of constitutional boards and commissions that have members selected from congressional districts, authorizes the retention of the existing number of members.

Property Tax for businesses

- HB 674 authorizes the granting of ad valorem tax exemption contracts for businesses located in parishes which have chosen to participate in a program established for the granting of such contracts.

Property Taxes for spouses

- SB 337 extends the property tax exemption for certain disabled veterans to the spouses of such veterans if the veterans passed away prior to the enactment of the exemption

Medicaid Trust Fund

- SB 82 prohibits monies in the Medicaid Trust Fund for the Elderly from being used or appropriated for other purposes when adjustments are made to eliminate a state deficit.

Guns

- SB 303 provides that the right to keep and bear arms is a fundamental right which shall not be infringed and any restriction on this right shall be subject to strict scrutiny.

Crime Prevention Districts

- SB 410 Increases from two to three days the number of times notice must be published in the official journal of the affected locale prior to the introduction of any bill relative to the creation of a special crime prevention district.